

**CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)
PROGRAM REQUIREMENTS – NOT FOR GOODS AND INFORMATION TECHNOLOGY**
(Revision Date 09/03/09)

Please read the requirements and instructions carefully before you begin.

AUTHORITY. The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC), §10115 et seq., Military and Veterans Code (MVC), §999 et seq., and California Code of Regulations (CCR), Title 2, §1896.60 et seq. **Recent legislation has modified the program significantly in that a bidder may no longer demonstrate compliance with program requirements by performing a “good faith effort” (GFE).**

The minimum DVBE participation percentage (goal) is 3% for this solicitation unless another percentage is specified in the solicitation. A DVBE incentive will be given to bidders who provide DVBE participation, unless stated elsewhere in the solicitation that the DVBE incentive has been waived.

INTRODUCTION. The bidder must complete the identified form to comply with this solicitation’s DVBE program requirements. Bids or proposals (hereafter called “bids”) that **fail to submit the required form and fully document and meet the DVBE program requirement shall be considered non-responsive.**

Information submitted by the intended awardee to comply with this solicitation’s DVBE requirements will be verified by the State. If evidence of an alleged violation is found during the verification process, the State shall initiate an investigation, in accordance with the requirements of the PCC §10115, et seq., and MVC §999 et seq., and follow the investigatory procedures required by the 2 CCR §1896.80. Contractors found to be in violation of certain provisions may be subject to loss of certification, penalties and/or contract termination.

Only State of California, Office of Small Business and DVBE Services (OSDS), certified DVBEs (hereafter called “DVBE”) who perform a commercially useful function relevant to this solicitation, may be used to satisfy the DVBE program requirements. The criteria and definition for performing a commercially useful function are contained herein on the page entitled **Resources & Information**. Bidders are to verify each DVBE subcontractor’s certification with OSDS to ensure DVBE eligibility.

PLEASE READ ALL INSTRUCTIONS CAREFULLY. These instructions contain information about the DVBE program requirements, bidder responsibilities, and the DVBE Bid Incentive. Bidders are responsible for thorough review and compliance with these instructions.

To meet the DVBE program requirements, bidders must complete and fully document compliance with the following:

Commitment to full DVBE participation - For a bidder who is a DVBE or who is able to meet the commitment to use identified certified DVBE(s) to fulfill the full DVBE participation goal.

COMMITMENT -- Commit to meet or exceed the DVBE participation requirement in this solicitation by either Method A1 (bidder is a California certified DVBE) or A2 (bidder is not a California certified DVBE). Bidders must document DVBE participation commitment by completing and submitting the Bidder Declaration (GSPD-05-105) located elsewhere within the solicitation document. Failure to complete and submit the required form as instructed shall render the bid non-responsive.

At the State's option prior to award of the contract, a written confirmation from each DVBE subcontractor identified on the Bidder Declaration must be provided. As directed by the State, the written confirmation must be signed by the bidder and/or the DVBE subcontractor(s). The written confirmation may request information that includes but is not limited to the DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, and total amount to be paid to the DVBE. If further verification is necessary, the State will obtain additional information to verify compliance with the above requirements.

Method A1. Certified DVBE bidder:

- a. Commit to performing at least 3% of the contract bid amount (unless otherwise specified) with the prime bidder's firm or in combination with another DVBE(s).
- b. Document DVBE participation on the Bidder Declaration GSPD-05-105.
- c. At the State's option a DVBE bidder working in combination with other DVBEs shall submit proof of its commitment by submitting a written confirmation from the DVBE(s) identified as a subcontractor on the Bidder Declaration. When requested, the document must be submitted to the address or facsimile number specified and within the timeframe identified in the notification. Failure to submit the written confirmation as specified may be grounds for bid rejection.

Method A2. Non-DVBE bidder:

- a. Commit to using certified DVBE(s) for at least 3% (unless otherwise specified) of the bid amount.
- b. Document DVBE participation on the Bidder Declaration GSPD-05-105.
- c. At the State's option prior to contract award, a bidder shall submit proof of its commitment by submitting a written confirmation from each DVBE identified as a subcontractor on the Bidder Declaration GSPD-05-105. The awarding department contracting official named in the solicitation may contact each listed DVBE, by mail, fax or telephone, for verification of the bidder's submitted DVBE information. When requested, the document must be submitted to the address or facsimile number specified and within the timeframe identified in the notification. Failure to submit the written confirmation as specified may be grounds for bid rejection.

THE FOLLOWING MAY BE USED TO LOCATE DVBE SUPPLIERS:

Awarding Department

Contact the department's contracting official named in this solicitation for any DVBE suppliers who may have identified themselves as potential subcontractors, and to obtain suggestions for search criteria to possibly identify DVBE suppliers for the solicitation. You may also contact the department's SB/DVBE Advocate for assistance.

Other State and Federal Agencies, and Local Organizations

- STATE:** Access the list of all certified DVBEs by using the Department of General Services, Procurement Division (DGS-PD), online certified firm database at www.eprocure.dgs.ca.gov. To begin your search, click on "SB/DVBE Search." Search by "Keywords" or "United Nations Standard Products and Services Codes (UNSPSC)" that apply to the elements of work you want to subcontract to a DVBE. Check for subcontractor ads that may be placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. You may access the CSCR at: www.eprocure.dgs.ca.gov. For questions regarding the online certified firm database and the CSCR, please call the OSDS at (916) 375-4940 or send an email to: OSDCHelp@dgs.ca.gov.
- FEDERAL:** Search the U.S. Small Business Administration's (SBA) Central Contractor Registration (CCR) on-line database at www.ccr.gov/ to identify potential DVBEs and click on the "Dynamic Small Business Search" button. Search options and information are provided on the CCR Dynamic Small Business Search site. First time users should click on the "help" button for detailed instructions. Remember to verify each firm's status as a California certified DVBE.
- LOCAL:** Contact local DVBE organization to identify DVBEs. For a list of local organizations, go to www.pd.dgs.ca.gov/smbus and select: [DVBE Local Contacts](#) (New 02/09) (pdf).

DVBE BID INCENTIVE. Unless stated elsewhere in the solicitation that the DVBE incentive has been waived, in accordance with Section 999.5(a) of the Military and Veterans Code an incentive will be given to bidders who provide DVBE participation. For evaluation purposes only, the State shall apply an incentive to bids that propose California certified DVBE participation as identified on the Bidder Declaration GSPD-05-105 and confirmed by the State. The incentive amount for awards based on low price will vary in conjunction with the percentage of DVBE participation. Unless a table that replaces the one below has been expressly established elsewhere within the solicitation, the following percentages will apply for awards based on low price.

Confirmed DVBE Participation of:	DVBE Incentive:
5% or Over	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%

As applicable: (1) Awards based on low price - the net bid price of responsive bids will be reduced (for evaluation purposes only) by the amount of DVBE incentive as applied to the lowest responsive net bid price. If the #1 ranked responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be California certified small businesses. The incentive adjustment for awards based on low price cannot exceed 5% or \$100,000, whichever is less, of the #1 ranked net bid price. When used in combination with a preference adjustment, the cumulative adjustment amount cannot exceed \$100,000.

(2) Awards based on highest score - the solicitation shall include an individual requirement that identifies incentive points for DVBE participation.

A DVBE Business Utilization Plan (BUP) does not qualify a firm for a DVBE incentive. Bidders with a BUP, must submit a Bidders Declaration (GSPD-05-105) to confirm the DVBE participation for an element of work on this solicitation in order to claim a DVBE incentive(s).

RESOURCES AND INFORMATION

For questions regarding bid documentation requirements, **contact the contracting official at the awarding department for this solicitation.** For a directory of SB/DVBE Advocates for each department go to:
<http://www.pd.dgs.ca.gov/smbus/advocate.htm>.

The Department of General Services, Procurement Division (DGS-PD) publishes a list of trade and focus publications to assist bidders in locating DVBEs for a fee. To obtain this list, please go to www.pd.dgs.ca.gov/smbus and select:

- [DVBE Trade Paper Listing](#) (New 02/09) (pdf)
- [DVBE Focus Paper Listing](#) (New 02/09) (pdf)

U.S. Small Business Administration (SBA):
Use the Central Contractor Registration (CCR) on-line database.
Internet contact only –Database: www.ccr.gov/.

FOR:
Service-Disabled Veteran-owned businesses in California (Remember to verify each DVBE's California certification.)

Local Organizations: Go to www.pd.dgs.ca.gov/smbus and select:
[DVBE Local Contacts](#) (New 02/09) (pdf)

FOR:
List of potential DVBE subcontractors

DGS-PD EProcurement
Website: www.eprocure.dgs.ca.gov
Phone: (916)375-2000
Email: eprocure@dgs.ca.gov

FOR:

- SB/DVBE Search
- CSCR Ads
- Click on Training tab to Access eProcurement Training Modules including: Small Business (SB)/DVBE Search

DGS-PD Office of Small Business and DVBE Services (OSDS)
707 Third Street, Room 1-400, West Sacramento, CA 95605
Website: www.pd.dgs.ca.gov/smbus
OSDS Receptionist, 8 am-5 pm: (916) 375-4940
PD Receptionist, 8 am-5 pm: (800) 559-5529
Fax: (916) 375-4950
Email: osdchelp@dgs.ca.gov

FOR:

- Directory of California-Certified DVBEs
- Certification Applications
- Certification Information
- Certification Status, Concerns
- General DVBE Program Info.
- DVBE Business Utilization Plan
- Small Business/DVBE Advocates

Commercially Useful Function Definition

California Code of Regulations, Title 2, § 1896.61(l):

The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f); is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing a commercially useful function.

As defined in MVC §999, a person or an entity is deemed to perform a "commercially useful function" if a person or entity does **all** of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out the obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of disabled veteran business enterprise participation.